

# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Mark Miller  
Representative Mark Pocan

Date: September 16, 2010

Re: Department of Children and Families Monthly Report on the  
Wisconsin Shares Program

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

The report is being provided at the request of the Co-Chairs to review the progress on fraud prevention and investigation on overpayment collections. The Co-Chairs requested the report be submitted to the Committee by the 15<sup>th</sup> day of each month.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle  
Governor

Reggie Bicha  
Secretary



**State of Wisconsin**  
Department of Children and Families

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September 15, 2010

Honorable Mark Miller, Senate Co-Chair  
Joint Committee on Finance  
Room 317 East, State Capitol  
Madison, WI 53702

RECEIVED  
SEP 16 2010  
BY: J. Finance

Honorable Mark Pocan, Assembly Co-Chair  
Joint Committee on Finance  
Room 309 East, State Capitol  
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This letter provides the Department of Children and Families' September 2010 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Following is a summary of August 2010 efforts.

**Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, August 2010**

*Expenditures related to fraud prevention and investigation: \$156,600*

The above amount represents the August 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

*Expenditures related to recovering overpayments due to error or fraud: \$31,500*

The August 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

*Overpayment and/or restitution collected by DCF: \$111,979*

In August 2010, DCF collected \$47,417 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$64,562 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

*Overpayment and/or restitution collected by other agencies: \$0*

No overpayments and/or restitution collections have been reported by other agencies in August 2010 to DCF.

**Providers Suspended from the Wisconsin Shares Program, August 2010**

During the month of August, DCF suspended payments to four child care providers; three were from Milwaukee County, and one was from St. Croix County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during August a total of \$1,126,934 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through August, the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$4,679,437.

**Automatic Authorization of Child Care Hours System**

*Number of changes made to authorized hours during the month: 3,097 changed authorizations*

This figure reports the total number of active authorizations in August that were reduced by the automated system.

*Total reduction made to the authorized hours during the month: 45,772 hours*

This figure reports the total number of hours taken off of active authorizations in August that were reduced by the automated system.

*Estimated savings in the month due to the automated authorization adjustment system: \$234,367*

This is an estimate of the maximum potential savings for those active authorizations in August that were reduced by the automated system.

*Were child care quality improvements identified via use of the new system? To date, no.*

The system was launched on May 15, 2010 and has not been in operation long enough to identify trends or anomalies that might suggest areas for making quality improvements.

*Estimated annualized ongoing costs to operate the automated system: \$50,000*

The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Reggie Bicha  
Secretary

cc: Dan Schooff, Department of Administration  
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions  
August 2010**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Beane Sprouts Child Care	St Croix	08/06/2010	The Department of Children and Families, St. Croix County and Pierce County suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The suspension was based upon the provider's failure to maintain and submit accurate attendance records as required by the Shares program. Specifically, it has been determined that: 1) Maximum capacity was exceeded on four separate occasions; 2) School-age children were cared for at an unregulated location, no notification was provided to the Department, and a license was not applied for at the unregulated location; 3) Attendance records submitted for payment were inaccurate and incomplete; and 4) Classroom attendance rosters and children's attendance records do not consistently match.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
LA LA'S WORLD OF ANGELS	Milwaukee	08/13/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. During repeated visits to the child care center (June 28, July 13, July 15, and twice on July 21, 2010), the provider was unable to produce attendance records from July 5, 2009 through December 13, 2009 and December 19, 2009 through June 13, 2010. It was further noted that there were children who had been billed for but not listed on the attendance records that the provider was able to produce.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

**Wisconsin Shares Provider Suspensions  
August 2010**

Mother Goose Adventures	Milwaukee	08/21/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has evidence that the provider billed for 11,592 hours of childcare for the weeks of 7/5/09-10/24/09. The attendance records provided to DCF indicated that children were actually in care for only 4,825 of those hours.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Sandra's Little Angels Child Care	Milwaukee	08/07/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The suspension was based upon the provider's failure to maintain and submit accurate attendance records as required by the Shares program.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A